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SIPDIS

SENSITIVE

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SUBJECT: A CONFIDENT CRAWL TOWARDS CLOSING THE REFUGEE FILE

SUMMARY AND COMMENT

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[11.](#) (SBU) Meeting with Ambassador Frank and the Heads of Mission of the OSCE and UNHCR Missions and European Commission Delegation to Croatia for the first time in 2005, Croatia's National Refugee Coordinator (Minister of Maritime Affairs, Tourism, Transportation, and Development and National Refugee Coordinator Bozidar Kalmeta) affirmed Croatia's eagerness to close the refugee return file by 2006 and voiced clear willingness to move forward with the lingering issues of housing allocation to former holders of occupancy and tenancy rights (OTR) and re-electrification of returnee villages. Housing for tenancy rights holders still tops the agenda, though the implementation is increasingly technical and less and less political. Though a strong desire to move beyond war legacy issues often leads Croatia to set overly ambitious targets for reconstruction, housing assistance, and property repossession, high-level monthly meetings between the four COMs and the GoC are clearly having a positive effect nudging the GoC towards realistic benchmarks. END SUMMARY AND COMMENT

HOUSING ASSISTANCE FOR OTR HOLDERS STILL ON TOP

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[12.](#) (SBU) Providing housing to former occupancy and tenancy rights (OTR) holders in predominantly urban areas continues to top the refugee agenda. In December, the GoC agreed to a proposal from the COMs to extend the application deadline through June 30, 2005, pending the start of a GoC-led public information campaign about housing assistance. The GoC has thus far received approximately 1600 applications for assistance. Processing applications, investigating property claims through former state enterprises, and making a decision continues to challenge the public administration. While the GoC does not currently notify applicants in the case of rejected applications, Minister Kalmeta promised the GoC would begin sending out notification letters once an application had been adjudicated and pledged to establish an appeal process for unsuccessful applicants. Though an estimated 18,000 OTR holders and their families may be eligible for housing care, the program has been slow to get underway owing largely to a lack of awareness of assistance available.

[13.](#) (SBU) The GoC already has some housing units available for successful OTR applicants. The four COMs told Kalmeta that allocating housing as soon as applications were decided would demonstrate clear GoC seriousness to move forward on return issues and encourage other potential beneficiaries to apply by showing the benefits of doing so. Kalmeta agreed to start allocations before the June 30 deadline but noted that housing should be carefully prioritized to where it is most urgently needed.

RE-ELECTRIFICATION

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[14.](#) (U) Kalmeta was clear that the issue of reconnecting electricity to a large number of mostly ethnic Serb villages in war-affected areas is simply one of money. A recently signed 52 million kuna (\$9.06 million) agreement between the GoC and the national electricity company HEP to finance re-electrification is a positive development. Though the Serb Democratic Forum has criticized HEP recently for not doing enough to accelerate reconnection, Kalmeta has little influence over the fiercely-independent electricity company. Post is aware of significant discrepancies in the allocation of rural electrification projects, with Croat villages fully electrified while many predominantly Serb villages remain without power.

HIGH-LEVEL MEETINGS BOLSTER EFFICIENCY AND CONFIDENCE

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[15.](#) (SBU) After six months of regular high-level meetings, Minister Kalmeta is increasingly well-briefed on the technical details of return implementation and confident of his PM's support to move forward. Kalmeta's professionalism

and confidence extend to the working level as well, where the GoC with increasing efficiency exchanges information with Post on return progress.

FRANK